

## Message Text

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67

ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SPC-03 SS-15

USIA-15 ACDA-19 IO-15 COME-00 EB-11 LAB-06 SIL-01

STR-08 NIC-01 DRC-01 NSCE-00 /148 W

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P 290245Z SEP 73

FM USLO PEKING

TO SECSTATE WASHDC PRIORITY 795

INFO AMCONSUL HONG KONG PRIORITY

C O N F I D E N T I A L PEKING 1150

E.O. 11652: GDS

TAGS: ETRD, BEXP, CH, US

SUBJECT: ATTENDANCE AT CANTON FAIR BY HONG KONG CONGEN OFFICERS

REF: (A) PEKING 1104; (B) PEKING 1140

1. MFT AMERICAN AFFAIRS DIRECTOR LI SHU-TEH INFORMED COMMERCIAL/ECONOMIC CHIEF HOROWITZ ON SEPTEMBER 28 THAT MFT HAS AGREED TO USLO'S REQUEST THAT CONGEN OFFICERS STARBIRD AND PERIHTO MAY ATTEND FORTHCOMING CANTON FAIR, ONE FOR THE FIRST HALF OF THE FAIR AND THE OTHER FOR THE SECOND HALF. IN RESPONSE TO HOROWITZ QUESTION, LI AGREED THAT IT WOULD BE ACCEPTABLE FOR STARBIRD AND PERITO TO OVERLAP IN CANTON ONE OR TWO DAYS. THE TWO OFFICERS SHOULD APPLY FOR VISAS AT THE CHINA TRAVEL SERVICE IN HONG KONG, HE SAID. IN CONCLUSION, HE EXPLAINED THAT PENG WAS VERY BUSY PREPARING FOR THE FAIR AND THEREFORE COULD NOT BE PRESENT FOR THE MEETINGS.

2. HOROWITZ THANKED LI, STATING THAT THESE TWO OFFICERS ARE EXPERIENCED IN SINO-US COMMERCIAL WORK AND THAT IT WILL BE A GREAT HELP TO HAVE THEM AT THE FAIR. LI THEN ASKED ABOUT THE SPECIFIC DUTIES OF STARBIRD AND PERITO IN HONG KONG. IN RESPONSE, HOROWITZ AND USLO OFFICER ROPE, WHO WAS ALSO AT THE

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MEETING, EXPLAINED THAT THE CONGEN'S COMMERCIAL/ECONOMIC

SECTION DOES WORK RELATING TO PRC, HONG KONG, AND REGIONAL COMMERCIAL AFFAIRS, AND IN THAT SECTION STARBIRD AND PERITO ARE PRINCIPALLY RESPONSIBLE FOR SINO-US MATTERS.

3. IN SUBSEQUENT CONVERSATION, HOROWITZ NOTED THAT A DELEGATION FROM THE NATIONAL COUNCIL FOR US-CHINA TRADE (NCUSCT) WOULD BE ARRIVING IN PEKING IN EARLY NOVEMBER. LI INDICATED HIS AWARENESS OF THIS AND ADDED, WITH APPARENT SATISFACTION, THAT "THIS WILL BE THE FIRST US TRADE MISSION TO COME TO CHINA." AFTER FURTHER PLEASANTRIES THE MEETING ENDED VERY CORDIALLY.

4. COMMENT: WE ARE NATURALLY VERY PLEASED WITH MFT'S DECISION IN THIS MATTER. CLEARLY THE PRC HARBORS SOME SUSPICIONS ABOUT USG ACTIVITIES IN HONG KONG, AND WE THINK THIS WAS REFLECTED NOT ONLY IN PENG'S INITIAL NEGATIVE RESPONSE BUT ALSO IN LI'S QUESTION CONCERNING THE HONG KONG DUTIES OF STARBIRD AND PERITO. NEVERTHELESS, IT WAS CLEAR TO THE CHINESE THAT USLO STRONGLY DESIRED TO HAVE CONGEN OFFICERS AT THE FAIR AND WOULD BE VERY UNHAPPY IF THE OUTCOME WERE OTHERWISE. THAT THE CHINESE CHOSE, UNDER THESE CIRCUMSTANCES, TO ACCEDE TO OUR REQUEST MAY REFLECT THEIR DESIRE NOT TO HARM OUR GOOD WORKING RELATIONS ON COMMERCIAL MATTERS, OR TO CREATE A PROBLEM THAT MIGHT HAVE TO BE RESOLVED AT HIGHER LEVELS. IN ANY EVENT, LI SEEMED QUITE PLEASED TO GIVE US THE GOOD NEWS, AND HIS POSITIVE REMARK ABOUT THE UPCOMING NCUSCT VISIT CAUSED THE MEETING TO END ON A PARTICULARLY HAPPY NOTE. WE INTERPRET PENG'S ABSENCE FROM THE MEETING AS A DEVICE CALCULATED TO SAVE HIS FACE. THE CHINESE OFTEN FOLLOW THIS FORMULA WHEN GIVING IN IN GRADE NEGOTIATIONS.  
BRUCE

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## Message Attributes

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